

Is My Property Eligible for Subsidized Flood Insurance Rates?

Some Properties Can Be Insured at Subsidized, Low Rates

The 2014 Homeowner Flood Insurance Affordability Act (see our factsheet) generally triggers higher rates for property owners who need or decide to buy National Flood Insurance Program (NFIP) insurance. Luckily, there are 3 formal options for obtaining lower rates:

1) Traditional NFIP '**grandfathering**'; 2) the **Newly Mapped** subsidy (for moving into a Special Flood Hazard Area ('A' or 'V' zone)); and 3) **Preferred Risk Policies** (PRPs).



Many Policies Are Already Based on Formal Subsidized Rates

The NFIP is billions of dollars in debt because it has paid more in claims than it has received in premium payments. NFIP subsidies, which exist in various forms, are a primary reason for the deficit. **The HFIAA gradually ends most of these subsidies; now, you should obtain a subsidized rate only to lessen future premium increases, or until your home can be altered to lessen flood risk.**

Basic Eligibility for Subsidized Rates (with links to the NFIP [Flood Insurance Manual](#))

- **[Traditional grandfathered rates](#)** (p. RATE 28): Available when: 1) a Flood Insurance Rate Map (FIRM) change would require higher rates, but the insured building or property has had *continuous coverage* since the first policy was bought, or 2) an insured building or property was *built in compliance* with the rules at time of construction, but the rules now require a higher standard. There are many specific rules for a 'grandfathered' rating.
- **[Newly Mapped policies](#)**: Available when a policy covers a building or personal property in a building that is being moved from a flood zone of B, C, X, or D into a Special Flood Hazard Area (SFHA) (Zone A or V). Additionally, there must not be 2 NFIP or FEMA disaster payments of \$1,000 or more, or 3 payments of any amount, on the property in the last 10 years before application or during coverage. **The policy must be purchased within 1 year of the effective date of the new map.**
- **[PRPs](#)**: Available for properties located in B, C, X, or D flood zones, also known as non-SFHA zones. The same eligibility rules for payment history for Newly Mapped policies apply.

NYLAG's Storm Response Unit is available to assist homeowners. Contact us at (212) 381-0701 or StormHelp@nylag.org